IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, A. D. 1940

No. .....

JOHANNES B. KESSEL and LOUIS HOFFBERG,
Petitioners,

vs.

VIDRIO PRODUCTS CORPORATION,
Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions of the Courts Below.

The opinion of the Circuit Court of Appeals for the Seventh Circuit was filed June 5, 1940, and is reported in 113 Fed. (2nd) 381.

The findings of fact and conclusions of law in the District Court appear in the Record on Pages 300-307. The decree of the lower Court appears in the Record at Pages 307-308. The opinion of the District Court appears in the Record at Page 238.

Jurisdiction.

(Note Petition (*Supra*, p. 2).)

Statement of Case.

Prior to the issuance of the Kessel patent in suit a joint application had been filed by Kessel and one Gold-

blatt, the president of the respondent corporation. Respondent then became the owner of said application. Thereafter certain State Court litigation with respect to said invention and application ensued between Kessel and respondent. In order to settle said State Court litigation, Kessel and respondent entered into an agreement which provided that respondent should assign all rights in the invention and in said application to Kessel and that Kessel grant an exclusive license to respondent to manufacture and sell, on a royalty basis, washing machines embodying the invention covered by allowed claims. This agreement also required that respondent affix patent notices to the machine sold under the license agreement (Plff's Ex. 5, Rec. 271). Pursuant to the agreement, the assignment was made and a concession of priority of invention was executed by respondent to Kessel. The joint application was subsequently allowed to become abandoned and the patent in suit was issued upon a sole application which theretofore had been filed by Kessel (Stipulation, Rec. 265-270).

Thereafter respondent began manufacturing and selling portable electric washing machines under the license agreement which respondent designated as its Model W 600. Respondent paid royalties on this machine and affixed the required patent notices thereto. However, several months after the license agreement had been entered into, defendant also began manufacturing and selling another portable electric washing machine which it designated as its Model No. 700 and on which it paid no royalties and to which it did not affix the required patent notices (Rec. 267). Petitioners, as the owners of said Kessel patent, filed suit in the District Court for infringement. The decree which was entered after answer filed and trial had before the Court found that respondent had infringed said Kessel patent by making and selling the machine designated by respondent as its Model No. 700 (Rec. 307).

Specification of Errors.

The errors which petitioners will urge if the writ of certiorari is issued are that the Circuit Court of Appeals for the Seventh Circuit erred:

1. In overlooking or disregarding the following findings of fact of the District Court:

A. That the Kessel invention was a pioneer invention, covering a function never before performed, was a wholly novel device, and was of such novelty and importance as to mark a distinct step in the art of washing machines; that the invention disclosed and claimed in the Kessel patent No. 2,134,048 is not disclosed in any prior art, including the Engberg patent No. 1,903,987 or any other patents referred to by said defendant (Rec. 301).

B. That respondent's Model No. 700, in fact, contains the inventions covered by the claims in the Kessel Patent No. 2,134,048 and is covered by said claims (Rec. 305).

C. That respondent's Model No. 700 would be useless for the purposes for which it is manufactured and sold without the use of the invention covered by the Kessel Patent No. 2,134,048 (Rec. 305).

D. That the construction, function, purpose, mode of operation and the concept of respondent's Model No. 700 is identical with the invention covered by the claims of the Kessel Patent No. 2,134,048 (Rec. 305, 306).

E. That respondent constructed, manufactured, and sold its Model No. 700 in an attempt to circumvent the claims of the Kessel Patent No. 2,134,048 (Rec. 306).

2. In holding that the patentee was estopped by reason of the amendments of his claims from claiming the benefits of his invention, namely, free circulation of air

within the dome, which improvement was not disclosed by Engberg or any prior references.

3. In failing to follow the established law that an applicant is not estopped by reason of amending his claims, from securing every improvement and combination that he has invented, which are not disclosed by the references on which the original claim was rejected.

4. In placing a construction on the Engberg patent which is directly contrary to the specifications contained in the Engberg patent.

Summary of Argument.

A. The Circuit Court of Appeals overlooked or disregarded the findings of fact made by the District Court that the invention claimed in the Kessel Patent was not disclosed by any prior art, including the Engberg Patent.

B. The patentee is not estopped by reason of amendments made by him during the prosecution of his application from claiming the benefits of improvements which were not disclosed by the prior references.

ARGUMENT.

The Circuit Court of Appeals disregarded the findings of fact made by the District Court and overlooked the fact that the essential feature of the Kessel Patent is recirculation of air within the dome and that this invention was not disclosed by any prior references.

The novelty of the Kessel invention lies in the fact that it was the first invention which provided for a machine capable of being placed upon a stove, or other source of heat, so that the clothes or other contents could be washed, boiled, and sterilized simultaneously.

In carrying out the concept of his invention, Kessel provided a means for cooling the motor, the lid, and the dome attached thereto, by creating a turbulence of air within the dome by means of a fan, resulting in a maintenance of a lower temperature above the lid than below, thus causing the condensation of steam on the bottom surface of the lid, and Kessel also made provision for the escape of steam generated in the container, by providing vents or escapes. Thus, the essential feature of the Kessel patent was a provision for free circulation of air within the dome. This is explicitly stated in Kessel's specifications (Lines 13-23, Column 1, Rec. 329) as follows:

> "It is therefore one of the objects of the present invention to provide in a machine of this character improved **means for causing a circulation of air currents over the motor or against the lid or cover of the machine** to reduce the temperature of the motor and lid, to cool the same, so that the cover may be comfortable to handle, at the same time the reduced temperature of the cover or lid will result in the condensa-

tion of the steam or vapor within the machine, that contacts therewith."

Among its findings of fact, the District Court found (Rec. 301):

> "That the Kessel invention, Patent No. 2,134,048, blazed the trail in the art of washing machines of the type disclosed in the said Kessel patent; and that the said Kessel invention was a pioneer invention, covering a function never before performed, was a wholly novel device, and was of such novelty and importance as to mark a distinct step in the art of washing machines; that the invention disclosed and claimed in the Kessel Patent No. 2,134,048, is not disclosed in any prior art, including the Engberg Patent No. 1,903,987, or any other patents referred to by said defendant."

The foregoing findings of fact were supported by the testimony of Paul G. Andres, an assistant professor of electrical engineering at Lewis Institute, Chicago, who testified at great length as to the concept of the Kessel (Plaintiff's Exhibit 1) and Engberg inventions and as to the differences between these inventions (Rec. 200-206).

The Circuit Court of Appeals held that petitioners are estopped from claiming that respondent's Model No. 700 is covered by the Kessel patent by reason of the fact that in the prosecution of their application petitioners amended their claims because the Engberg patent was cited against it.

The Engberg patent relates to a washing machine which does not permit the application of heat while the machine is in operation (Rec. 202).

This patent involves the opposite concept from the Kessel patent in that it makes express provision to prevent recirculation of air within the dome. The vital difference between the Engberg patent and the Kessel patent

is distinctly stated by each inventor is his respective patent. The Engberg specification (Rec. 404, Column 1, Lines 44 to 50) reads as follows:

> "As it is important that cold air from outside the machine be always passed over the driving mechanism, a channel between openings 50 and *motor housing* cover 22 is formed by a conduit 55, *which prevents recirculation of air* in the space between cap 15 and plate 16" (Rec. 404). (Cap 15 is the dome and 16 is the plate on which the dome rests.)

The Engberg disclosure thus specifically provides for a *housing* 18-22 and 55 (Rec. 398) enclosing the motor and fan for the **express purpose of preventing recirculation of air within the hood,** whereas, in the Kessel invention the motor and fan are not encased within a housing, and Kessel has *specifically provided for free circulation of air within the dome.*

Respondent's Model No. 700 follows the Engberg invention by placing the fan on the side of the motor, but this machine departs from the Engberg disclosure by its failure to contain any housing around the motor and fan. The absence of the housing around the motor and fan in the infringing machine, makes the *function* of the infringing device identical with the Kessel device because a free circulation of air within the dome results therefrom. Inasmuch as Engberg makes specific provision *to prevent* recirculation of air within the dome, and since free circulation of air within the dome *is the main feature of the Kessel invention,* it follows that the infringing machine embodies the Kessel invention rather than the Engberg disclosure.

Petitioners concede that if respondent had enclosed the fan and motor within a housing, then recirculation of air would be prevented within the dome, and this machine

would not infringe on the Kessel patent, but would follow the Engberg disclosure.

The original application filed by Kessel contained various claims covering a fan adjacent to and on the side of the motor. In the prosecution of the Kessel application, the Engberg patent was cited as a reference, and Kessel was required to amend some of his claims by specifying the position of the fan as being above the motor. However, it is undisputed that Kessel never amended that portion of his application which provided for free circulation of air within the dome, **and the Kessel claims as finally allowed cover a device wherein air currents are directed against the motor, casing, and cover.**

The Circuit Court of Appeals held that by reason of the foregoing amendments, petitioners are now estopped to assert that the patent covers a portable washing machine in which the fan is placed upon a horizontal axis, even though that portable washing machine is designed to be placed upon a stove or other source of heat, so that the clothes or other contents can be washed, boiled and sterilized simultaneously, and even though that portable washing machine, unlike the Engberg patent, uses the Kessel method of cooling the motor, dome and lid, by providing for free circulation of air within the dome.

It is undisputed that defendant's Model 700, like the Kessel machine, contained no housing around the motor and fan and that recirculation of air would result in both of these portable washing machines.

The Circuit Court of Appeals has overlooked the principle of law that a patentee is not estopped from claiming and securing by his amended claim every useful improvement which he has invented, which is not disclosed by the prior references. Since the Engberg patent, which is exclusively relied upon by the Circuit Court of Appeals, made

specific provision for a housing around the motor and fan for the purpose of preventing recirculation of air within the hood, Kessel should not be estopped by reason of his positioning his fan above the motor, from claiming the benefits of his invention, namely, free circulation of air within the dome.

The opinion of the Circuit Court of Appeals is in conflict with the following cases:

In the case of *Drum* v. *Turner,* (C. C. A. 8th) 219 Fed. 188 at Page 191, the Court said:

> "But one who acquiesces in the rejection of his claim because it is said to be anticipated by another patent or reference is not thereby estopped from claiming and securing by an amended claim every known and useful improvement that is not described in such reference."

In the case of *Wayne Mfg. Co.* v. *Benbow-Brammer Mfg. Co.,* (C. C. A. 8th) 168 Fed. 271 at Page 279 the Court said:

> "And, while the rejection on the reference to the patent to Palmer and the subsequent amendment may estop the plaintiff from claiming the improvements shown in Palmer's patent, they do not estop it from claiming and securing every improvement and combination which Schroeder invented that was not disclosed by Palmer's patent."

In the case of *Ottumwa Box Car Loader Co.* v. *Christy Box Car Loader Co.,* (C. C. A. 8th) 215 Fed. 362 at Page 373, the Court said:

> "One who acquiesces in the rejection of his claim because it is said to be anticipated by other patents or references is not thereby estopped from claiming and securing by an amended claim every known and

useful improvement that is not described by those references."

In the case of *O'Brien-Worthen Co.* v. *Stempel,* (C. C. A. 8th) 209 Fed. 847 at Page 851 the Court said:

> "It is an indisputable principle of the law of patents that, if a patentee acquiesces in the rejection of his claims on references cited in the Patent Office and accepts a patent on an amended or substituted claim, he is thereby estopped from maintaining that the amended or substituted claim covers the combinations or devices shown in the references and from successfully claiming that the substituted claim has the breadth of the claims that were rejected. But he is not estopped from claiming and securing by his amended claim every known and useful improvement which he has invented and which is not disclosed by the references."

In the case of *Egry Register Co.* v. *Standard Register Co.,* (C. C. A. 6th) 267 Fed. 186 at Page 190 the Court said:

> "The fact that the patentee acquiesced in the rejection of claims 1 to 4, inclusive, as originally presented—which claims were confined entirely to the feeding mechanism—does not bar him from relying upon the claims now in issue, which are combination claims and include, not only the feeding mechanism, but the added element of the tearing-off mechanism. It is almost a commonplace that a new combination of elements, old in themselves, but which produce a new and useful result, amounts to invention."

The Circuit Court of Appeals failed to follow the established law as laid down by the foregoing cases and has erroneously held that Kessel is estopped by reason of the amendments of his claims from claiming the benefits

of his invention, namely, free circulation of air within the dome, although this improvement was not disclosed by the Engberg patent or by any of the prior references.

Moreover, the decision of the Circuit Court of Appeals is contrary to the principle of law that an assignor or licensee cannot urge such a narrow construction of the claims of a patent as to destroy the patent grant.

The respondent in this case is both the assignor of the Kessel invention and licensee under the Kessel patent. Notwithstanding this fact, the respondent now contends that the only distinction between the Kessel patent and its Model No. 700, is the fact that the Kessel fan is on a vertical axis and in Model No. 700 the fan is on a horizontal axis.

Under the principle of law herein stated, the respondent should not be permitted to urge such a narrow construction of the Kessel patent as to render it worthless.

CONCLUSION.

We respectfully submit that the Circuit Court of Appeals has departed from the established rule of judicial proceeding by disregarding and overlooking the findings of fact of the District Court made upon substantial evidence and by its failure to follow the settled law that a patentee is entitled to the benefits of his improvements, namely, recirculation of air within the dome, which was not disclosed by the prior art references.

Respectfully submitted,

J. Robert Cohler,
Counsel for Petitioners.